



**UPDATED GRH Income Limits!!!**

February 24, 2005

# WI Rural Housing News Flash



Committed to the future of rural communities.

## GRH FISCAL YEAR 2005 FUNDING STATUS

For Fiscal Year 2005, an appropriation of over \$3 billion will be available for purchase loans, and \$225 million for refinance loans. Fiscal year to date, Wisconsin has obligated 261 GRH loans for a total of \$26.4 million. At this time, requests for reservations of loan funds are not needed. We expect that the reservation of funds process will be reinstated later this fiscal year.



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## Increased Income Limits Means...Increased Number of GRH Income Eligible Applicants!

### INCREASED GRH INCOME LIMITS

Effective March 3rd, the income limits for the GRH loan program will be updated. The attachment shows the new income limits based on household size and county. The changes, compared to last year, ranged from no increase (9 counties) to an increase of 4.8% (Fond du Lac County). The "all other" category that encompasses most counties saw an increase of .9%. No counties had their income limits decreased.

GRH Income Limits can be viewed at <http://www.rurdev.usda.gov/wi/programs/rhs/library/WI-Income-Limits-for-Single-Family-Housing-Guaranteed-Loans.pdf>

"The USDA is an equal opportunity provider and employer."

Do you have a question or just want to learn more about the GRH program?

### CONTACT US TODAY!

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Stevens Point WI 54481

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866-GRH-3600

Fax:  
715-345-7699

E-Mail:  
[RD.SFH.SO@wi.usda.gov](mailto:RD.SFH.SO@wi.usda.gov)



## UPDATES TO ORIGATION AND SERVICING HANDBOOKS

The "What's New?" link on the GRH Loan Origination and Servicing Handbook page will soon be updated to include a copy of the Administrative Notices (AN) referred to in this Lender Memo. The GRH Originator Handbook is also being updated with links to Freddie Mac's Credit Smart Homebuyer

Education Program and Fannie Mae's Historical Net Yields data. New GRH program information can be accessed at this link for viewing instead of attaching multiple



documents to this correspondence.

The internet address for this page is:

<http://www.rurdev.usda.gov/wi/programs/rhs/grh/handbook/new.htm>

## UNDERWRITING ANs REISSUED

**REFINANCING AN-** -On December 2, 2004 RD ANs 4026 and 4027 were issued to replace RD ANs 3902 and 3912. These ANs explain the eligibility and methodology of using the GRH loan program to refinance existing GRH loans or Direct 502 loans.

**ELIGIBILITY OF NON-U.S. CITIZENS FOR THE GRH PROGRAM AN**—On January 18, 2005 RD AN 4042 was issued to replace RD AN 3913. This AN explains the documentation need to verify the eligibility of non-U.S. citizens for the GRH loan program. RD AN 4042 substantially restates

the guidance on this topic given to lenders through RD AN 3913, but also provides new information about passport stamps indicating aliens are lawfully admitted for permanent residence in the "Implementation Responsibilities" section.

## LOSS MITIGATION AN REISSUED

On November 30, 2004 RD AN 4025 was issued to replace RD AN 3877. This AN explains the loss mitigation options available to lenders and the situations in which each option may be appropriate. Lenders

are encouraged to use this AN as a reference when considering loss mitigation measures for their GRH borrowers.



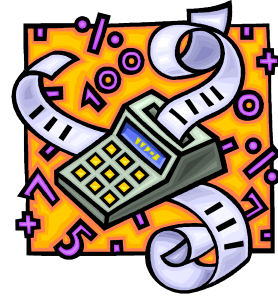
## GRH FEE CALCULATOR

An EXCEL spreadsheet has been developed by our National Office to assist lenders in calculating the guarantee fee and proposed loan amount in light of the recent changes to the guarantee fee and LTV limitations in the GRH program. The spreadsheet allows you calculate your loan amount assuming

the financing of all or part of the guarantee fee.

The GRH Fee Calculator will soon be available in the "What's New?" folder at the GRH Loan Origination and Servicing Handbook website. The internet address for this folder is:

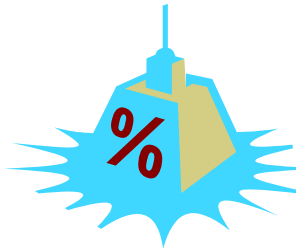
<http://www.rurdev.usda.gov/wi/programs/rhs/grh/handbook/new.htm>



## FANNIE MAE RATE VERIFICATION

Due to recent changes, lenders who do not have an ID and password can no longer access the current Fannie Mae rate from their website. Historical Fannie Mae rate can be obtained without the ID and password from the following website:

[http://www.efanniemae.com/singfamily/reference\\_tools/net\\_yields/db\\_rate\\_chart.jhtml](http://www.efanniemae.com/singfamily/reference_tools/net_yields/db_rate_chart.jhtml)



**Lenders may elect to establish their current Fannie Mae rate for GRH loans based on the previous business day's Fannie Mae rate from this web site.** The GRH Originator Handbook is being updated with this link and information on how to identify the correct rate.

**We're on the Web!**

<http://www.rurdev.usda.gov/wi>

## LEARN MORE ABOUT RURAL DEVELOPMENT'S DIRECT SFH LOAN PROGRAM!

**Rural Development's Direct Single Family Housing (SFH) Loan Program provides home ownership loans to Very Low and Low Income families.** To assist the families in obtaining affordable mortgages, many customers receive payment subsidy known as Payment Assistance. Recapture of at least a portion of the total subsidy granted is due at the time that the property is sold or refinanced.

The recapture amount is computed based on various factors, including the appreciation of the property between purchase and sale, average interest rate, original equity, capital improvements, seller's closing costs, etc. This computation is completed at the time of a payoff request.

If the Direct SFH Loan is being refinanced, the recapture amount can be held by Rural Development as a non-interest bearing recapture (accounts) receivable. Rural Development can subordinate its real estate mortgage securing the recapture receivable to the refinancing lender.

As an incentive to payoff the recapture rather than hold it as a recapture receivable, Rural Development will discount the recapture an additional 25% pro-

vided the Direct SFH Loan is refinanced (rather than the property sold), the mortgagors retain title and continue to reside in the property.



To obtain a final payoff on a Direct SFH Loan, the following documents are necessary:

1. Release of Information Authorization Signed by the Mortgagors
2. Offer to Purchase
3. Universal Residential Appraisal Report in both comparable sales and cost approach. The appraiser must itemize and estimate contributory value for capital improvements. (Maintenance

is not considered a capital improvement.)

4. Estimated HUD-1 or similar document itemizing seller's closing costs
5. Memo explaining purposes of payoff (sale or refinancing)
6. Closing date

It takes seven to ten business days to compute a final payoff figure including the computation of recapture. Please plan the closing accordingly.

To obtain a payoff figure on a Direct SFH Loan that is not in foreclosure, fax the above information to our Centralized Servicing Center in St. Louis, Missouri, at 314-206-2113.

To obtain a payoff figure on a Direct SFH Loan that is in foreclosure, fax the above information to our State Office in Stevens Point, Wisconsin, to the attention of Kathy Bleskey at 715-345-7699.

If you have any questions in regard to the Direct SFH Program, please feel free to contact our State Office at 715-345-7620, extension 112 for Kathy Bleskey, 113 for Rand Bersch or 117 for Sherry Werner.

## **CONGRATULATIONS TO RURAL DEVELOPMENT'S 2004 MILLION DOLLAR GRH LENDERS!**

Absolute Financial Lending (Silver)  
 Amcore Bank, N.A. (Platinum)  
 Arrowhead Mortgage (Million)  
 Assured Mortgage, Inc. (Platinum)  
 Austin Mortgage Co. (Silver)  
 Bremer Bank, N.A. (Silver)  
 Central City Credit Union (Silver)  
 Community Bank & Trust (Silver)  
 Community Bank Delavan (Million)  
 Community Development Bank (Million)  
 Connie Gullixson (of The River Bank) (Million)  
 Dave Thoreson (of Bell Mortgage) (Million)  
 Denise Bangart (of Community Bank & Trust) (Million)  
 Eleanor Fritsche (of Countrywide Home Loans) (Silver)  
 Fairway Independent Mortgage Corp. (Gold)  
 Farmers & Merchants Bank (Gold)  
 First Banking Center (Silver)  
 First Mortgage Advisors (Million)  
 Fortress Bank (Silver)  
 Johnson Bank (Million)

Karen Wampler (of Fairway Independent Mortgage Corp.) (Silver)  
 Kristi Hoag (of Farmers & Merchants Bank) (Silver)  
 Land & Equity Financial Services (Silver)  
 Laura Leonhard (of McMillan Mortgage) (Million)  
 Linda Zwicker (of Assured Mortgage, Inc.) (Silver)  
 Lisa Fleischer (of Loanstar Mortgage Corp.) (Silver)  
 Loanstar Mortgage Corp. (Silver)  
 Mary Beth Peterson (of The River Bank) (Million)  
 McMillan Mortgage (Million)  
 Metro Mortgage Co. Inc. (Million)  
 Michael Firchow (of Absolute Financial Lending) (Silver)  
 Michelle Nikolay (of Countrywide Home Loans) (Million)  
 Moneywise Mortgage Co. (Silver)  
 Ozaukee Bank (Silver)  
 Pat Keppler (of Eagle Mortgage) (Million)  
 Piper Beuthling (of Arrowhead Mortgage) (Million)  
 Scott Thomas (of Assured Mortgage, Inc.) (Gold)  
 Sharon Phillips (of Amcore Bank, N.A.) (Silver)  
 The River Bank (Gold)  
 Tricor Lending (Million)  
 United Bank-Ettrick (Million)  
 Vicki Yarie (of Austin Mortgage Co.) (Million)  
 Westby Co-op Credit Union (Silver)

### **What Do the Award Levels Mean?**

**Platinum—\$10 Million in GRH Loans for  
FY 03 & 04**

**Gold—\$5 Million in GRH Loans for  
FY 03 & 04**

**Silver—\$2 Million in GRH Loans for  
FY 03 & 04**

**Million—\$1 Million in GRH Loans for  
FY 04**

**Million Dollar Lender Award Recognition/GRH Program  
Update Programs are taking place throughout the  
state in the month of March. If you are not yet  
signed up for one of the events, please contact our  
State Office at  
866-474-3600 for an event location near you!  
Don't miss an opportunity to congratulate  
your peers and learn how you can become a  
2005 GRH Million Dollar Lender!**

# **RURAL DEVELOPMENT LOCAL OFFICE CONTACTS**

## **ASHLAND OFFICE**

Ashland, Bayfield, Iron & Price Counties  
Iris Sanford (Rural Development Manager)  
715-682-9117  
[RD.Ashland@wi.usda.gov](mailto:RD.Ashland@wi.usda.gov)

## **BARRON OFFICE**

Barron, Polk & Rusk Counties  
Cora Schultz (Rural Development Manager)  
715-537-5645  
[RD.Barron@wi.usda.gov](mailto:RD.Barron@wi.usda.gov)

## **BLACK RIVER FALLS OFFICE**

Buffalo, Eau Claire, Jackson, Monroe & Trempealeau Counties  
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## **DODGEVILLE OFFICE**

Dane, Grant, Green, Iowa & Lafayette Counties  
Jay Jones (Rural Development Manager)  
608-935-2791  
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## **ELKHORN OFFICE**

Kenosha, Racine, Rock, & Walworth Counties  
Tony Gates (Rural Development Manager)  
262-723-3216  
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## **FOND DU LAC OFFICE**

Calumet, Fond du Lac, Green Lake, Manitowoc, Sheboygan & Winnebago Counties  
Jo Ann Tyree (Rural Development Manager)  
920-907-2976  
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## **MENOMONIE OFFICE**

Chippewa, Dunn, Pepin, Pierce & St. Croix Counties  
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## **PORTAGE OFFICE**

Adams, Columbia, Juneau, Marquette & Sauk Counties  
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## **RHINELANDER OFFICE**

Florence, Forest, Langlade, Lincoln, Oneida & Vilas Counties  
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## **SHAWANO OFFICE**

Brown, Door, Kewaunee, Marinette, Menomoninee, Oconto, Outagamie & Shawano Counties  
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715-524-8522  
[RD.Shawano@wi.usda.gov](mailto:RD.Shawano@wi.usda.gov)

## **SPOONER OFFICE**

Burnett, Douglas, Sawyer & Washburn Counties  
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## **STEVENS POINT OFFICE**

Clark, Marathon, Portage, Taylor, Waupaca, Waushara & Wood Counties  
Sharon Olson (Rural Development Manager)  
715-346-1313  
[RD.StevensPoint@wi.usda.gov](mailto:RD.StevensPoint@wi.usda.gov)

## **VIROQUA OFFICE**

Crawford, La Crosse, Richland & Vernon Counties  
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## **WEST BEND OFFICE**

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Bob Strunz (Rural Development Manager)  
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## **RURAL DEVELOPMENT STATE OFFICE**

ALL Counties  
866-474-3600  
[RD.SFH.SO@wi.usda.gov](mailto:RD.SFH.SO@wi.usda.gov)